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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

DAVID C. HOLLISTER
DIRECTOR

October 13, 2005

e-mailed on 10/14/05:cg

The Honorable Emily Stover DeRocco
Assistant Secretary
U.S. Department of Labor
200 Constitution Avenue, N.W., S-2307
Washington, D.C. 20210-0002

Dear Assistant Secretary DeRocco:

In recent years Michigan has been severely impacted by a huge influx of dislocated workers and Trade Adjustment Assistance certifications. No area has been hit as significantly as Central Area Michigan Works! Consortium (CAMWC), a local service delivery area. Over the next few months, Electrolux Home Products, based in Greenville, Michigan, will dislocate its entire workforce, approximately 4,600 individuals. This number does not include anticipated supplier certifications. Based on conservative estimates, the resulting number of total dislocated workers may approach 8,250. This number represents 33 percent of the local area's workforce, and has the potential to devastate this community and surrounding areas. The state and CAMWC are committed to working together to meet this catastrophic event.

Background Information

Many individuals dislocated as a result of Electrolux will need training to transition into new careers. Unfortunately, the current Individual Training Account (ITA) system for empowering client-customers to make training choices has become one of exclusion rather than inclusion. A significant number of qualified training service providers are not willing to dedicate the manpower necessary to fulfill Workforce Investment Act (WIA)-ITA data requirements. In many cases, the number of ITA recipients a training provider may serve simply does not justify the expense of participant data collection and follow-up under the existing eligible training provider requirements of the WIA.

CAMWC is currently facing the following eligible training provider challenges:

- The number of appropriate training providers within a reasonable distance is insufficient to meet demand due to the stringent reporting requirements previously mentioned. Furthermore, the limited number of providers who are located in the area are experiencing record enrollments, are currently serving at capacity, and are unable to meet additional training demands.

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- Training programs listed on the eligible training provider list are currently limited to a program provided by a single training institution. As the need for additional programs grows, training providers have engaged in discussions regarding the expansion of programs by coordinating training offerings. For example, landscaping is a demand occupation for CAMWC. However, the local community college, Montcalm Community College (MCC) does not currently offer a landscaping program. Michigan State University (MSU), located in East Lansing, Michigan, does offer courses in landscaping, but does not offer a certificate or Associate degree in landscaping. Through coordination of services, MCC is able to offer a landscaping certificate/degree program utilizing a combination of its curriculum and curriculum from MSU. Electrolux participants are unable to access this training because MSU is not on the eligible provider list and participants receiving this training would have to be enrolled at both MCC and MSU.
- There is one university within CAMWC's geographic region, Central Michigan University (CMU). Many individuals, including those who have not completed their degree, individuals who have a Bachelor degree but because of declining employment opportunities need to change industry sectors, or individuals that need a few classes to upgrade their skill sets, would benefit from training opportunities at CMU. However, individuals are prevented from accessing this training due to CMU's decision to not provide the necessary information to appear on the state's eligible training provider list.

Proposed Work-flex Plan

We have an immediate need for increased flexibility to design and deliver workforce services that will allow us to respond effectively to this mass dislocation and its effects. Accordingly, we are requesting the following WIA workforce flexibility (work-flex) plan:

We are requesting designation as a work-flex state. Under this designation, we would like to provide waivers of provider eligibility provisions applicable to local areas under WIA Section 122. We seek flexibility to enable CAMWC to provide training for individuals by instructors and providers they deem most qualified, given the immediate and significant demand for training. The state will ensure that training providers are helping individuals with skills in-demand that lead to sustainable employment. As other local level barriers are identified throughout the state, we will confer and coordinate with our Employment & Training Administration (ETA) Regional Office to provide additional waivers for local areas under the work-flex authority, as appropriate.

The work-flex authority provided under this request will allow the state and CAMWC to meet Electrolux participant demands. Specifically, the expansion of training opportunities will allow CAMWC to prepare more workers for current and future employment opportunities forecasted through the analysis of local labor market information.

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Currently, stand-alone training institutions are partnering to increase training opportunities for CAMWC residents. Training institutions, specifically MCC, have looked at program availability against regional demand occupations. This analysis has allowed institutions to partner with each other to increase training opportunities for participants. For example, truck driving is a demand occupation for this region. MCC did not offer a truck driving program. However, MCC partnered with Lansing Community College and now offers a truck driving program for participants in this area. Both colleges used current curriculum in the partnering and the program has been listed on the eligible training provider list. While the program is open to the universal population, it was specifically developed based on the growing need for training within this region. This creativity is beneficial and addresses some of the area's training needs. However, it is not sufficient to meet Electrolux demands.

To expand training opportunities for Electrolux participants, CAMWC is requesting a waiver to utilize the following training programs:

1. Development of new training program opportunities from existing curriculum currently on the eligible training provider list.

Training institutions are looking for ways to accelerate training programs to move workers back into the workforce as quickly as possible. These training programs are developed as class-size training with a start date determined by the training institution and CAMWC. The programs may start and end on a schedule different than the traditional training provider's calendar. This set-up guarantees trainees will have access to the coursework in the sequence needed and will complete a program in a timely manner. Since the tailored program is for class-size training, it is not listed on the eligible training provider list. CAMWC would approve this training for Electrolux participants based on the following:

- Traditional programming has to be on the eligible training provider list,
- A Department of Education accredited provider must provide training,
- CAMWC would collect completion data on each trainee, and
- An annual review of performance would be completed. Any tailored training program that drops below an 80 percent program trainee completion rate would be dropped from this approved listing.

2. Inclusion of training providers not currently on the approved eligible training provider list.

CMU is the only public university in CAMWC's region. CMU refuses to collect data required to appear on the eligible training provider list. Additionally, MCC has been working on program expansion by combining their curriculum with curriculum from

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other universities who do not appear on the eligible training provider list. There would be benefit in being able to access this type of university level coursework. CAMWC is proposing to utilize training institutions in either of these situations based on the following:

- Training is not available within a reasonable distance (within 50 miles one-way) from trainee's residence,
- A Department of Education accredited provider must provide training,
- CAMWC would collect completion data on each trainee, and
- An annual review of performance would be completed. Any tailored training program that drops below an 80 percent program trainee completion rate would be dropped from this approved listing.

CAMWC will conduct assessments to determine which participants need training to successfully reenter the workforce. Consideration will be given to an individual's long-term goals and objectives. Training provided through this work-flex will be limited to demand occupations in the CAMWC region, as supportive by local labor market information and will not include training above the Bachelor level.

In addition to the collection of performance data previously mentioned, the following participant performance information would be collected for Electrolux participants enrolled in the WIA:

- Participant Entered Employment Rate,
- Participant Employment Retention Rate at Six Months,
- Participant Earnings Change/Replacement Rate in Six Months, and
- Participant Employment and Credential Rate.

- * * The state is submitting this work-flex waiver at the request of CAMWC. Local service delivery areas interested in requesting that a specific requirement be waived under the state's work-flex authority, must submit such a request, in writing, to the state. The request must be consistent with Section 192 of the WIA and Section 661.410 of the WIA Final Regulations and must clearly state the requirement to be waived, the outcomes to be achieved, and measures taken to ensure appropriate accountability. The local service delivery area must also ensure that meaningful public comment was sought from any local board affected by the request and by the general public, including business and organized labor. Requests will be handled on a case-by-case basis.

The training provided under this work-flex plan will serve participants of CAMWC. Only those current and subsequent individuals dislocated as a result of Electrolux Home Products, based in Greenville, Michigan, will be served under this work-flex authority.

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We are submitting this request per the requirements for submission of a work-flex plan under WIA Section 192 and 20 CFR 661.430. The work-flex plan will allow the state to immediately address the workforce challenges facing the state. The precise programmatic and performance outcomes will be negotiated with the ETA Regional Office within the next three months. The state will monitor progress and ensure accountability for federal funds in connection with this work-flex plan by reviewing monthly expenditure, performance, and other reports submitted by the local board, through regularly scheduled calls or meetings with local board directors, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system. We have posted the work-flex plan on our website for review and comment, and have consulted local boards, and other stakeholders.

This is a unique and challenging situation that the state faces. By approving this work-flex plan, the additional flexibility provided will enable CAMWC the most strategic response possible.

We appreciate your consideration of this request and seek an expedited response so that we may move forward in our efforts. If you have any questions, please call Ms. Brenda Njiwaji, Director, Bureau of Workforce Programs, at (517) 335-7418.

Sincerely,

SIGNED

Dennis J. Sykes, Deputy Director
Department of Labor & Economic Growth

DJS:BCN:SB:cg

cc: Ms. Brenda Njiwaji
Ms. Christine Kulick
Mr. Sean Kelly
Mr. Byron Zuidema
Mr. Nick Lammers
Ms. Leslie Matthews
Mr. Jim Kinney
Ms. Lynn Bajorek